

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Office of Insurance
Ernie Fletcher, Governor
LaJuana S. Wilcher, Secretary

Contact: Ronda Sloan
502/564-6098
502/330-1804 Cell

Office of Insurance takes action to protect AIK Comp assets
Order limits disbursement of funds, protects business records

FRANKFORT, Ky. (Aug. 3, 2004) - The Kentucky Office of Insurance (KOI) has taken action to protect the assets of the AIK Comp Fund through an order issued today by Martin Koettters, executive director of KOI.

The order prohibits the transfer or disposal of property or assets, as well as the disbursement of cash or other funds in excess of \$5,000, without the consent of Koettters. In addition, AIK Comp management and others are prohibited from destroying, removing or altering any records or documents and may not release any information regarding its books or financial records without Koettters' approval.

Earlier today, Governor Ernie Fletcher signed an executive order transferring regulatory authority of the workers' comp group self-insureds, including AIK Comp, from the Office of Workers' Claims to the Office of Insurance. AIK Comp had asked the state in late June for permission to assess its members as much as \$49 million to cover a shortfall of at least \$40 million.

"This order was needed to ensure that KOI is able to protect those injured workers who already depend on this fund, as well as those who may file future claims. In addition, we have a responsibility as regulators to guarantee that all appropriate documents, business records and funds are in place when the rehabilitation plan is implemented," said Koettters.

Koettters said the order was executed after he became aware that information regarding the AIK Comp Fund had been released to outside parties. He added that maintaining these documents and protecting financial assets are important parts of the closer regulatory oversight KOI will provide throughout the rehabilitation process.